Why GAO Did This Study

Each year, half a million people affected by human immunodeficiency virus (HIV) and acquired immunodeficiency syndrome (AIDS) receive services funded by CARE Act grants. HRSA, an agency within HHS, awards CARE Act Part A grants to localities and Part B grants to states and territories. These grantees may provide services themselves or may contract with service providers. HRSA POs monitor grantees, but grantees are to monitor their service providers. PO oversight includes routine monitoring, site visits, and monitoring of special award conditions, such as restrictive drawdown. GAO was asked to 1) evaluate HRSA’s oversight of CARE Act grantees and 2) examine steps HRSA has taken to assist CARE Act grantees in monitoring their service providers. GAO conducted a review of grantee files from 2010 and 2011 for 25 selected Part A and B grantees, reviewed HHS and HRSA policies, interviewed HRSA officials, analyzed HRSA data on site visits and interviewed grant officials from GAO’s 25 selected grantees and 6 selected service providers.

What GAO Found

The Department of Health and Human Services’ (HHS) Health Resources and Services Administration (HRSA) does not consistently follow HHS regulations and guidance in its oversight of Ryan White Comprehensive AIDS Resources Emergency Act of 1990 (CARE Act) grantees when conducting key elements of grantee oversight, including routine monitoring and implementing restrictive drawdowns. Additionally, HRSA did not demonstrate a risk-based strategy for selecting grantees for site visits. Project officers (POs) do not consistently document routine monitoring or follow up on that monitoring to help grantees address problems, as required by HHS and HRSA guidance. The purpose of routine monitoring is to enable POs to answer grantee questions about program requirements, provide technical assistance (TA), and follow up on grantee corrective actions in response to previously provided TA. However, GAO found that most POs did not document routine monitoring calls with grantees—only 4 of the 25 PO files GAO reviewed from 2010 and 8 of the 25 files GAO reviewed from 2011 contained documentation of monitoring calls at least quarterly. HRSA often did not follow HHS regulations and guidance in implementing restrictive drawdowns, a special award condition HRSA can place on grantees with serious problems. Restrictive drawdown requires that prior to spending any grant funds, grantees must submit a request, along with documentation of the need, for funds for HRSA review. Six of the 52 Part A grantees and 13 of the 59 Part B grantees were placed on restrictive drawdown from 2008 through 2011. GAO found that HRSA did not consistently provide grantees in GAO’s sample that were on restrictive drawdown with the reasons the restrictive drawdown was implemented, instructions for meeting the conditions of the restrictive drawdown, or guidance on the types of corrective actions needed. This has limited the effectiveness of restrictive drawdown as a tool for improving grantee performance. Regarding the oversight of grantees through site visits, HRSA did not demonstrate a clear strategy for selecting the grantees it visited from 2008 through 2011. For example, HRSA did not appear to prioritize site visits to grantees based on the amount of time that had passed since a grantee’s last site visit. Although many HRSA POs GAO spoke with said that site visits were a valuable and effective form of oversight, GAO found that 44 percent of all grantees did not receive a site visit from 2008 through 2011 while others received multiple visits.

Grantees are required to oversee the service providers with whom they contract and in April 2011, HRSA issued the National Monitoring Standards for grantee monitoring of service providers. The standards describe program and financial requirements and include 133 requirements for Part A grantees and 154 requirements for Part B grantees. Though the standards were intended to improve grantee monitoring of service providers, some grantees said that a lack of training and TA has hindered its implementation. Additionally, some grantees have found the requirement for annual site visits of service providers to be challenging. HRSA officials said that they believe they provided adequate training to grantees in implementing the standards, which did not represent new requirements.

What GAO Recommends

GAO is making several recommendations, including that HRSA implement key elements of grantee oversight consistent with guidance, including restrictive drawdowns; develop a strategic approach for selecting grantees for site visits; and work to identify grantees’ training needs in order to comply with the National Monitoring Standards. HHS concurred with the recommendations.

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